

Appln No. 09/688,452

Amdt date June 13, 2005

Reply to Office action of December 12, 2003

REMARKS/ARGUMENTS

Applicants thank the Examiner for his careful consideration of this application, and respectfully request reconsideration, reexamination and allowance of the application in view of the following remarks and amendments. Applicants have not added, canceled or amended any claims. Accordingly, claims 1-68 remain pending in this application.

I. Information Disclosure Statements

Applicants note that the Examiner has not acknowledge the Information Disclosure Statements filed on March 3, 2005 or September 16, 2004. If the Examiner requires a further copy of either of these IDS forms, Applicants' respectfully request that the Examiner contact Applicants' undersigned counsel of record.

II. Claims Rejected under 35 U.S.C. §103

The Examiner has continued his rejection of claims 1-68 under 35 U.S.C. §103(b) as being unpatentable over Whitehouse, U.S. Patent 6,005,945 ("Whitehouse") in view of Leon, U.S. Patent 6,424,954 ("Leon"). Applicant respectfully requests that the rejection be withdrawn.

To establish a *prima facie* case of obviousness, the Examiner must show that the cited references, combined, teach or suggest, each of the elements of a claim. Independent claim 1 includes, among other limitations, "a cryptographic device remote from the plurality of user terminals and coupled to the computer network, wherein the cryptographic device includes a computer executable code for authenticating one or more users

Appln No. 09/688,452

Amdt date June 13, 2005

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and verifying that the authenticated user is authorized to assume a role, and wherein the cryptographic device is capable of performing value management functions for one or more users." In regard to the limitation "wherein the cryptographic device is capable of performing value management functions for one or more users," Applicants have reviewed the Examiner's rejection, as well as the cited art, but have been unable to discern where the cited art teaches or suggest this element of the claims. Whitehouse does not appear to disclose or suggest a cryptographic device that performs value management functions. The system disclosed in Whitehouse generates a transaction record reflecting the generated postal indicium, sends the transaction record to a separate transaction database and then updates the balance registers for the user's account outside the cryptographic device. See Whitehouse, FIG. 5a, step 216; col. 13, lines 50-56.

The Examiner in support of his assertion that Whitehouse discloses a cryptographic device ambiguously indicates "(cryptographic key)." The Examiner provides no further citation to Whitehouse or other explanation to clarify how a 'cryptographic key' teaches a cryptographic device, much less, a cryptographic device "capable of performing value management functions for one or more users" as recited in claim 1. Thus, the Examiner has failed to present a *prima facie* case of obviousness for claim 1, as the Examiner has not set forth how each of the elements of claim 1 is taught or suggested by the cited references.

Appln No. 09/688,452

Amdt date June 13, 2005

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Further, as noted previously, the Examiner has admitted that "Whitehouse fails to teach a cryptographic device includes a computer executable code for authenticating one or more users and verifying that the authenticated user is authorized to assume a role." The Examiner relies on Leon to teach these elements of the claim. The Applicants, in the previous response to Office action, challenged the combination of the SMD taught by Leon with the system of Whitehouse, because the SMD of Leon is a device dedicated for use with an attached PC. See Leon Figures 1A and 1B and col. 2, lines 30-40 and col. 3, line 61 - col. 4, line 20, which depict and describe the SMD as a device with a serial (RS-232) connection to a personal computer and optionally coupled to a scale.

In response to these arguments, the Examiner has asserted that Whitehouse teaches a network with centralized processing, which misses the point of our arguments that the Examiner has not established how the stand alone device of Leon that is relied upon to cure the defects of Whitehouse is to be integrated with the centralized system of Whitehouse. The two systems are antithetical to one another. Taking the whole of the SMD or some functionality of the SMD of Leon is inapposite. Leon does not disclose how its SMD can be used over a centralized system by a plurality of remote users. Such a use changes the fundamental operating principle of the SMD of Leon and is not a proper basis for establishing a *prima facie* case of obviousness. If the proposed modification or combination of the prior art would change the principle of operation of the prior art invention being modified, then the teachings of the

Appln No. 09/688,452

Amdt date June 13, 2005

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references are not sufficient to render the claims *prima facie* obvious. See MPEP section 2143.01.

Applicants respectfully request clarification as to how the SMD of Leon can be used to modify the 'cryptographic key' of Whitehouse to teach the "cryptographic device" recited in claim 1. Therefore, Applicants believe the Examiner has failed to present a *prima facie* case of obviousness for claim 1. Accordingly, reconsideration and withdrawal of the obviousness rejection of claim 1 are requested.

In regard to claims 2-29 these claims depend from independent claim 1 and incorporate the limitations thereof, in addition to other limitations that further patentably distinguish these claims. Thus, at least for the reason mentioned above in regard to claim 1, these claims are not obvious over Whitehouse in view of Leon. Further, in regard to claim 12, Applicants note that the Examiner has failed to clarify how a state machine of Leon teaches a stateless cryptographic device as recited. On its face this appears to be a complete contradiction in terms. Accordingly, reconsideration and withdrawal of the obviousness rejection of these claims are requested.

In regard to independent claims 30 and 57, these claims include elements similar to those in claim 1, including "performing value management functions in the one or more of the cryptographic devices" (claim 30) and "means for performing value management functions for a user" (claim 57). Thus, at least for the reason mentioned above in regard to claim 1, these claims are not obvious over Whitehouse in view of Leon.

Appln No. 09/688,452

Amdt date June 13, 2005

Reply to Office action of December 12, 2003

Similarly, claims 31-56 and 58-68 depend for claims 30 and incorporate the limitations thereof, in addition to other limitations that further distinguish these claims. Accordingly, reconsideration and withdrawal of the obviousness rejection of claims 30-68 are requested.

Appln No. 09/688,452

Amdt date June 13, 2005

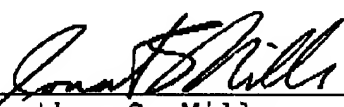
Reply to Office action of December 12, 2003

CONCLUSION

In view of the foregoing amendments and remarks, it is believed that all claims now pending, namely claims 1-73 and 75-98, patentably define the subject invention over the prior art of record and are in condition for allowance and such action is earnestly solicited at the earliest possible date. If the Examiner believes that a telephone conference would be useful in moving the application forward toward allowance, the Examiner is encouraged to contact the undersigned at (626) 795-9900.

Respectfully submitted,
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